



March 7, 2007

Via Electronic Mail

Ms. Eileen A. Donovan
Acting Secretary
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, D.C. 20581

Re: CBOE Futures Exchange, LLC
Submission Number CFE-2007-01

Dear Ms. Donovan:

Pursuant to Section 5c(c)(1) of the Commodity Exchange Act, as amended ("Act"), and §40.6(a) of the regulations promulgated by the Commodity Futures Trading Commission ("CFTC") under the Act, CBOE Futures Exchange, LLC ("CFE" or "Exchange") hereby submits an amendment ("Amendment") to make technical changes to CFE's contract specification rules related to the contract multiplier and contract size for the CBOE Volatility Index ("VIX") futures contract and the CBOE DIJA Volatility Index ("VXD") futures contract. Currently, the contract size for both VIX and VXD futures is valued at \$100 multiplied by 10 times the underlying index level. Under the Amendment, the contract size for both VIX and VXD futures will be valued at \$1,000 multiplied by the underlying index level. Additionally, this change will result in a change to the minimum increment for VIX and VXD futures from \$0.10 to 0.01 index point. CFE believes that the Amendment will make the VIX and VXD futures contracts more easily understood by market participants if the contracts are based on the actual underlying index level instead of 10 times the underlying index level. The technical changes provided for in this Amendment will apply to all VIX and VXD futures contracts currently listed for trading as well as to all VIX and VXD futures contracts first listed for trading on or after the effective date of this Amendment.

The Amendment will become effective on March 26, 2007.

CFE is not aware of any substantive opposing views to the Amendment. CFE hereby certifies that the Amendment complies with the Act and the regulations thereunder.

The Amendment, marked to show additions in underlined text and deletions in [bracketed] text, consists of the following:

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Rule 1202. Contract Specifications

(a) *Multiplier.* The contract multiplier for each VIX futures contract is \$1,000.00. For example, a contract size of one VIX futures contract would be \$16,500 if the VIX

index level were 16.5 (16.5 x \$1,000.00). [Each VIX futures contract is valued at \$100.00 times an underlying value that will be disseminated by the Exchange to market vendors. This underlying value (“Increased-Value VIX”) is valued at ten times the VIX value. Therefore, the Increased-Value VIX will be disseminated at 165 if the VIX value is 16.5.]

(b) No change.

(c) *Minimum Increments.* The minimum fluctuation of the VIX futures contract is 0.01 index point [\$0.10], which has a value of \$10.00. [For example, if the price of the VIX futures contract increases from 165.00 to 165.10, that fluctuation equates to a \$10.00 increase in the value of the VIX futures contract.]

(d) – (n) No change.

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Rule 1203. Settlement

Settlement of VIX futures contracts will result in the delivery of a cash settlement amount on the business day immediately following the settlement date. The cash settlement amount on the final settlement date shall be the final mark to market amount against the final settlement price of the VIX futures contract multiplied by \$1,000.00. The final settlement price of the VIX futures contract will be rounded to the nearest \$0.01.

Clearing Members holding open positions in VIX futures contracts at the termination of trading in that Contract shall make payment to or receive payment from the Clearing Corporation in accordance with normal variation and performance bond procedures based on the final settlement amount.

If the settlement value is not available or the normal settlement procedure cannot be utilized due to a trading disruption or other unusual circumstance, the settlement value will be determined in accordance with the Rules and By-Laws of The Options Clearing Corporation.

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Rule 1702. Contract Specifications

(a) *Multiplier.* The contract multiplier for each VXD futures contract is \$1,000.00. For example, a contract size of one VXD futures contract would be \$13,900 if the VXD index level were 13.9 (13.9 x \$1,000.00). [Each VXD futures contract is valued at \$100.00 times an underlying value that will be disseminated by the Exchange to market vendors. This underlying value (“Increased-Value VXD”) is valued at ten times the VXD value.]

(b) No change.

(c) *Minimum Increments.* The minimum fluctuation of the VXD futures contract is 0.01 index point [\$0.10], which has a value of \$10.00.

(d) – (n) No change.

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Rule 1703. Settlement

Settlement of VXD futures contracts will result in the delivery of a cash settlement amount on the business day immediately following the settlement date. The cash settlement amount on the final settlement date shall be the final mark to market amount against the final settlement price of the VXD futures contract multiplied by \$1,000.00. The final settlement price of the VXD futures contract will be rounded to the nearest \$0.01.

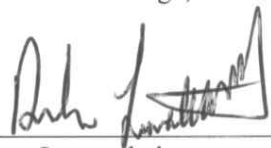
Clearing Members holding open positions in VXD futures contracts at the termination of trading in that Contract shall make payment to or receive payment from the Clearing Corporation in accordance with normal variation and performance bond procedures based on the final settlement amount.

If the settlement value is not available or the normal settlement procedure cannot be utilized due to a trading disruption or other unusual circumstance, the settlement value will be determined in accordance with the Rules and By-Laws of The Options Clearing Corporation.

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Questions regarding this submission may be directed to Arthur Reinstein at (312) 786-7570 or Jennifer Klebes at (312) 786-7466. Please reference our submission number CFE-2007-01 in any related correspondence.

CBOE Futures Exchange, LLC

By: 
Andrew Lowenthal
Managing Director

cc: Steven Benton (CFTC)
Thomas Leahy (CFTC)
Edward Dasso (NFA)
The Options Clearing Corporation